

# Future Of File Sharing: Challenges of Portals, PDF Encryption, Tax Return Delivery & E-Signatures

**Presented by:**



**Sponsored by:**



# Administrative Items

- **90 Minutes (Education, Demo, Q&A)**
- **Participants are muted. Please ask questions through the GoToWebinar Control Panel**
- **10% Discount to all attendees**
- **Eligible to Receive 1.5 CPE Credits**
  - Register at [www.cpaacademy.org](http://www.cpaacademy.org)
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  - Check spam & junk, then login to your account
  - iPad and iPhone viewers beware

# cPaperless, LLC

- Paperless tools for the tax & accounting industry
- Products

## Prepare



## Send



## E-Sign



- 2,500+ Customers and 20,000+ Licensed Users
- **Steve Dusablon**  
President & CEO  
(800) 716-2558 x 110  
[Steve.Dusablon@cPaperless.com](mailto:Steve.Dusablon@cPaperless.com)

# Webcast Agenda

- **Daily transfers vs. Seasonal transfers**
- **What is File Sharing?**
- **File Sharing options and related challenges**
- **Our Approach, and why you need 2 delivery methods**
- **TaxReturnFlow - The Future of Tax Return Delivery**
- **Software Demonstration**
- **Q&A**

# Daily vs. Seasonal Transfers

## ➤ Daily

- Used by every person in your firm to securely transfer any document any day of the year
- Small or large files
  - Excel
  - Word
  - PDF
  - QuickBooks
- Used by your clients to securely send documents to you

## ➤ Seasonal

- Usually done by only a few people in your firm
- Usually Large quantities. Can be batch processed and automated
- Some documents require signature
- Examples
  - Organizers
  - Engagement Letters
  - §7216 Consent Letters
  - Tax Returns and Form 8879
  - Electronic K-1 distribution to shareholders

# What Does File Sharing Mean?

## ➤ The Historical Way

- Ben Franklin appointed the first Postmaster General in 1775
- For the past 2 centuries, accounting firms have used the manila envelop and the US Postal Service to transfer important documents

## ➤ Why Move to Electronic File Sharing?

- Continued movement towards paperless processes, green environments
- Reduces printing and delivery costs
- Automation creates efficiency for both staff and clients
- Provides real time reporting and tracking
- It's a mobile World, and client's want mobile solutions

## ➤ Electronic Methods

- Non-Secure
  - Fax
  - Regular Email attachments
- Secure
  - **Email: Encrypted PDF Files as Email Attachments**
  - **Links: Client Portals & File Transfer Systems**



# Encrypted PDF Files

## ➤ Foundation of SafeMail

- Automated the process on manually encrypting PDF files
- Remains an important part of our program

## ➤ Archived Webcast

- “Encrypting PDF Files in Email Attachments: Reduce Risk, Automation & Compliance”
- <https://www.cpaperless.com/Videos/EncryptPDFFiles/EncryptingPDFFiles.html>
- Same process of email, but applying encryption for security and Breach of Privacy Laws compliance
- Apply encryption manually with Adobe Acrobat Standard or Professional

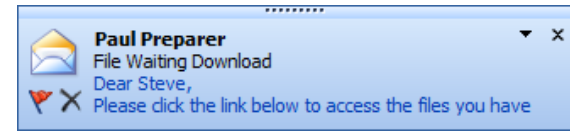
## ➤ Polling Question #1

## ➤ New & increasing issues with sending encrypted PDF files

- Technology changes that you/we **can't control**
  - PC's: MAC Preview and Windows 8 viewer
  - Internet: Browsers and web based email (Google Chrome, Yahoo, etc.)
  - Mobile devices: PDF links don't work



# Link Transfers



Staff



Client





# Options for Link Products

## ➤ Client Portals

- Tax vendors, DMS's, website hosting companies, etc.
- If you don't use a Portal already, someone has tried to sell you one
- Positioned as the utopia of delivery mechanisms and online storage

## ➤ File Transfer Solutions

 HIGHTAIL

 LeapFILE™

 ShareFile  
by CITRIX

 SmartVault™

## ➤ Polling Question #2

## ➤ Archived Webcast

- “Why Client Portals Fail: Understanding File Transfer Solutions”
- Less than 35% of your clients will adopt these systems
- *Password authentication, download links removed by Firewalls*
- <https://www.cpaperless.com/Videos/WhyClientPortalFail/WhyClientPortalsFail.html>

# Summary

- **Daily File Sharing is more complicated than most people think**
  - Can't rely on a single method of delivery
  - You need to use both options (PDF Encryption and Links)
  - Neither option is perfect, they both have problems
  
- **Client Problems**
  - Encrypted PDF files in an email attachment
    - Increasing issues with proprietary viewers, Internet, and mobile devices
  - Links (Portals and File Transfer Solutions)
    - Clients forget passwords
    - Links get stripped by many firewalls
  - If you only use one method, then you will always have problems
  
- **Staff Problems**
  - Does the recipient use a Mac or Windows 8?
  - Does the recipient use web-based email?
  - Is the recipient accessing the files from a mobile device?
  - Do the recipient work for a bank, financial institution or governmental agency?
  - How often do I send to this recipient? Will they remember their password?
  
- **It all leads to frustration**

# Our Approach to Solving the Problem

## ➤ **Links**

- Highest success rate, easiest for the recipients to download files
- Work best for mobile devices

## ➤ **Link Authentication Options**

- No Authentication
  - Click a link and immediately download the files
  - Compliant, but not secure
- QA authentication (most popular and recommended)
  - QA = Question & Answer
  - Examples: Last 4 of SSN, 10 digit cell phone, 5 digit ZIP code, etc.
- Portal Login (most secure)
  - Client login with user name and password
  - Only recommended for high frequency clients (Bookkeeping, payroll, etc.)

## ➤ **Encrypted PDF files**

- Use when sending to bankers, financial institutions and governmental agencies when needed

## ➤ **Only SafeMail offers both delivery methods, and all three authentication options, in a single solution**

# Daily Transfer Cheat Sheet

Recipient	Link (QA)	Link (Portal Login)	Encrypted PDF
<b>Average Client</b>			
<ul style="list-style-type: none"> <li>• Mac User?</li> </ul>	Recommended	No	No
<ul style="list-style-type: none"> <li>• Windows 8 User?</li> </ul>	Recommended	No	No
<ul style="list-style-type: none"> <li>• Mobile Device Access?</li> </ul>	Recommended	No	No
<b>High Frequency of Transfer</b>			
<ul style="list-style-type: none"> <li>• Bookkeeping, QuickBooks, Payroll, Corporate, Business Management</li> </ul>	Yes	Recommended	Yes
<b>Links Stripped by Firewalls</b>			
<ul style="list-style-type: none"> <li>• Banks</li> </ul>	No	No	Only Option
<ul style="list-style-type: none"> <li>• Financial Institutions</li> </ul>	No	No	Only Option
<ul style="list-style-type: none"> <li>• Governmental Agencies</li> </ul>	No	No	Only Option

# Seasonal Transfers

- **Large quantities of documents sent periodically**
  - Organizers
  - Engagement Letters
  - Tax Returns and Form 8879
  - K-1's for shareholder distribution
- **Efficiency gains through batch processing and automation**
- **Some documents require signatures, others do not**
- **How does your Client Portal or File Transfer solution handle these items?**
  - Currently, none do a very good job
  - Some publish to Portals but we have the password / login issue, and your clients can't E-Sign
  - None provide workflow automation for tax and accounting seasonal documents

# E-Sign Documents

## Client Documents

- ✓ Form 8879
- ✓ Form 4506-T
- ✓ § 7216 Consent
- ✓ Engagement Letters
- ✓ Management Rep Letters
- ✓ Audit Rep Letters
- ✓ A/R and A/P Confirmations
- ✓ Client Consent Forms
- ✓ New Client Acceptance
- ✓ Conflict of Interest
- ✓ Payroll Processing
- ✓ W-9's
- ✓ Credit Card Authorization

## Internal Documents

- ✓ Annual Independence Survey
- ✓ IT Policy
- ✓ Partnership Agreements
- ✓ Internal Routing Sheets
- ✓ Human Resource Related Doc's
  - Offers of Employment
  - W-4 & I-9
  - Employee Handbooks
  - Medical, Dental & Insurance
  - 401k
  - Parking

# Software Discussion and Demonstration

# Single Solution For All Your Transfers

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## Daily Transfers

Send Links

Automated  
PDF  
Encryption

Portal

Client Drop  
Off



## Watch Videos:

<http://www.cpaperless.com/Support/SafeMailTrainingVideosSupport.aspx>



# Single Solution For All Your Transfers

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## Daily Transfers

Send Links

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Off



Engagement  
Letter Flow

Signature  
Flow

Organizer  
Flow

Tax Return  
Flow

K-1 Flow

## Seasonal Transfer Add-ons

# Single Solution For All Your Transfers

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Engagement  
Letter Flow

Signature  
Flow

Organizer  
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Tax Return  
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K-1 Flow

## Seasonal Transfer Add-ons

## Tax Software



1. ProSystem fx Tax
2. GoSystem Tax RS
3. Lacerte
4. UltraTax
5. Drake
6. Etc

## Client Copy of Tax Return



1. Filing Instructions & Transmittals
2. Tax Return
3. Fed & State e-file forms
4. 1040 V / ES Payment Vouchers
5. Invoice

## SafeMail



1. Filing Instructions & Transmittals



2. Tax Return



3. Fed & State e-file forms



4. 1040V / ES Payment Vouchers



5. Invoice



#### User Authentication

**Question:**

Please enter the last 4 digits of the EIN for ABC Company

**Answer:**



## Welcome to the Callen & Hunt, LLP Tax Return Processing System

Please complete the below steps to complete your 2014 tax filing.

Save Progress and Return Later

Print All Documents and Process Manually

### Step #1:

Review or Print  
Filing Instructions  
And Transmittal  
Letter



### Step #2:

Review and  
Approve Your Tax  
Return



### Step #3:

Sign Your e-file  
Authorization  
Forms

Taxpayer Signed  
Spouse Signed



### Step #4:

Print Your  
Estimated Payment  
Vouchers



### Step #5:

Review And Process  
Your Invoice



You're Almost Done

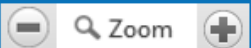
## Step #2: Review and Approve Your Tax Return



I Approve This Tax Return For Filing

Save and Return Later

### Bookmarks



### Questions

- Worksheet and Payment Vouchers
- Form 1040 - U.S. Individual Income Tax Return
- Form 1040 - U.S. Individual Income Tax Return
- Federal Schedule A - Itemized Deductions
- Federal Schedule B - Interest and Ordinary Dividends
- Federal Schedule D - Capital Gains and Losses
- Federal Schedule D - Capital Gains and Losses
- Qualified Dividends and Capital Gain Tax Worksheet
- Federal Schedule E - Supplemental Income and Loss, Page 1 Overflow
- Federal Schedule E - Supplemental Income and Loss, Page 1 Overflow
- Federal Schedule E - Supplemental Income and Loss, Page 1 Overflow
- Federal Schedule E - Supplemental Income and Loss, Page 2
- Statement of Rental and Royalty Income
- Statement of Rental and Royalty Income
- Form 4562 - Schedule E Depreciation Small Font Detail - 1
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**1040 U.S. Individual Income Tax Return 2012**

For the year Jan. 1-Dec. 31, 2012, or other tax year beginning 01/01, ending 12/31

See separate instructions.

Your first name and last name: JOHN SMITH  
 Last name: SMITH  
 Social Security number: 554 11 1111

Your last name and first name: MARY SMITH  
 Last name: SMITH  
 Social Security number: 535 22 2222

Home address (number and street), if you have a P.O. box, see instructions: P.O. BOX 1000  
 Apt. no.:  
 City, town or post office, state, and ZIP code: MO TOWN, CA 92620  
 Foreign country name: Foreign province/state/country: Foreign postal code:

Filing Status:  Single  Married filing jointly (even if only one had income)  Head of household (with qualifying person)  Married filing separately. Enter spouse's SSN above.

Exemptions:  Yourself  Spouse  Qualifying widower with dependent child

Income:

7	Wages, salaries, tips, etc. (Attach Form(s) W-2	7	2,933.
8a	Taxable interest. Attach Schedule B if required	8a	
8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule D if required	9a	1,232.
9b	Qualified dividends	9b	3,232.
10	Taxable refunds, credits, or offsets of state and local income taxes	10	5,035.
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here	13	185,202.
14	Other gains or (losses). Attach Form(s) 4797	14	
15a	IRA distributions	15a	
15b	Pensions and annuities	15b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	11,854.
18	Farm income or (loss). Attach Schedule F	18	12,555.
19	Unemployment compensation	19	
20a	Social security benefits	20a	15,000.
20b	Other income. List type and amount	20b	10,000.
21	Other income. List type and amount	21	10,000.
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income	22	241,561.

Adjusted Gross Income: 240,674.

### Contact Paul Partner at:

Phone: (800) 716-2258 x 110  
 Email: [paul@callen.com](mailto:paul@callen.com)



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Print All Documents and Process Manually

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And Transmittal  
Letter



### Step #2:

Review and  
Approve Your Tax  
Return



### Step #3:

Sign Your e-file  
Authorization  
Forms

Taxpayer Signed  
Spouse Signed



### Step #4:

Print Your  
Estimated Payment  
Vouchers



### Step #5:

Review And Process  
Your Invoice



You're Almost Done



## Step #5: Review and Process Your Invoice



### Please Review Your Invoice



Invoice #7838.pdf



### Pay Now Online

Amount Due

- Pay with a credit card
- Pay with Pay Pal



# Single Solution For All Your Transfers

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## Daily Transfers

Send Links

Automated  
PDF  
Encryption

Portal

Client Drop  
Off



Engagement  
Letter Flow

Signature  
Flow

Organizer  
Flow

Tax Return  
Flow

K-1 Flow

## Seasonal Transfer Add-ons

## MS Word



1. Create Engagement Letter Template with the SignatureFlow Word Add-in

## MS Excel



1. A .CSV file is created for you
2. Populate it with your clients information

## Engagement Letter Flow



1. Batch process and send hundreds for E-Signature

# Q&A

# System Requirements

## ➤ Staff

- Microsoft Outlook 2007, 2010 or 2013
- Microsoft Office 2007, 2010 or 2013
- Internet Connection
- Citrix or Terminal Server compatible

## ➤ Clients

- Internet Connection
- Email Access
- Adobe Acrobat Reader 7.0 or higher (Free version)

# Next Steps

➤ **FREE 30 Day Trails**

*Available to all members of your company*

➤ **Contact Us:**

Web: [www.cPaperless.com](http://www.cPaperless.com)

Email: [sales@cPaperless.com](mailto:sales@cPaperless.com)

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